City of San Diego

Pooled Investment Fund Quarterly Review

Quarter ended

3/31/2011

Publication Date: 4/28/2011

Office of the City Treasurer—Investments Division

Economic Commentary

Despite continued turbulence around the globe and many uncertainties at home, the U.S. economy continued to strengthen over the past quarter.

Labor figures were especially vibrant. The weekly jobless claims figure dropped to 382,000 new claims during the last week of March, down from 437,000 at the beginning of the quarter. Additionally, non-farm payrolls increased by 216,000 in March and the unemployment rate dropped to 8.8%, a two year low.

Other measures of business activity increased as well. The ISM manufacturing index rose to 61.4 in February, the highest level since 2004. The ISM non-manufacturing index, which measures the service industries, also hit a multi-year high of 59.7 in February. Both numbers signal strong economic expansion. There are still many strong headwinds to growth, however. The housing market remains extremely weak, and home prices have been falling for several months after stabilizing in 2010.

There is also much political uncertainty afoot in Washington. A spending resolution for the remainder of fiscal year 2011 was passed just minutes before the first federal government shutdown since 1995 would have occurred. Things promise to get even more contentious as Congress debates legislation to raise the debt ceiling and pass a fiscal year 2012 budget over the coming weeks. Failure to raise the debt ceiling could result in the U.S. defaulting on its debt, which has never happened and would be seen as a catastrophic failure of leadership with potentially grave economic consequences.

Political unrest in the Middle East and northern Africa has roiled the petroleum markets, causing oil prices to spike during the quarter (see Chart 1). This is important, as a large spike in the cost of gasoline could short-circuit other consumer spending, which is being counted on for continued economic growth.

Headlines about the debt crisis in Europe resurfaced during the quarter, and Japan, after having begun to recover from its decades-long deflationary recession, was struck with a devastating 8.9-magnitude earthquake and tsunami in March (see Hot Topic—page 2).

While each of these events may not be enough to derail the US recovery on their own, the combination of several of these events could, so the financial markets will be watching them very closely over the next few months. Any further shocks to the economy will also serve to further weaken investor confidence.

Chart 1: Crude Oil WTI Futures Price 12/31/2010–3/31/2011 (Source: Bloomberg)

Quarterly Economic Highlights

- The U.S. stock market, as measured by the S&P 500 Index, rose by 5.4% during the quarter
- The unemployment rate in the U.S. dropped to 8.8% in March, a 1.3% improvement from the October 2010 high of 10.1%
- The Treasury white paper on GSEs was released and described three potential options for the future of government involvement in housing finance
- February 2011 New Home sales dropped to an annual rate of 250,000, a series low

Contents:

Hot Topic Corner— Disaster and Tragedy in Japan

On March 10, a magnitude 8.9 earthquake struck off the coast of northeast Japan, producing a massive tsunami that carved a path of destruction miles inland.

The human toll stemming from the disaster is unfathomable, with over 27,000 people missing or dead, and thousands more left homeless as houses were simply swept away by the torrent.

To make matters worse, a nuclear disaster is unfolding at the Fukushima Dai-Ichi power plant. The nuclear power facility survived the earthquake intact, but lost its cooling ability in several reactors due to the ensuing tsunami, resulting in a near meltdown and the release of radioactive steam and seawater into the environment. The severity level of the incident was recently elevated to the same level as the 1986 Chenobyl accident, and will likely serve as a drag on the Japanese economy for years to come

This disaster could not have happened at a worse time from an economic standpoint. After struggling through many years of deflation and recession, the Japanese economy was beginning to show signs of improvement. However, since the earthquake and tsunami, many auto and electronics manufacturers temporarily stopped production due to disruptions in the power grid and supply chain. This will most likely affect Japanese exports and GDP negatively for several quarters.

While the expected downturn in the Japanese economy may negatively influence worldwide growth over the coming months, the overall impact should not derail the global recovery. This is because Japan is not as large an economy as it once was, and its relative importance has diminished as emerging economies such as Brazil and China have become more prominent. In fact, after the initial shock of the disaster wears off, the economies of Japan and its trading partners could receive a large boost due to the rebuilding that will need to take place.

This rebuilding has led to some concerns regarding the US Treasury market. Since Japan is such a large holder of US Treasuries, there is a fear that it will need to sell a large portion of its Treasury holdings in order to repatriate cash for the rebuilding effort and for its insurers to pay claims stemming from the disaster.

This fear is likely exaggerated, however. It has been reported that Japanese insurers already have enough cash on hand to pay expected claims. Additionally, the demand for Treasuries from Japan might actually increase as they attempt to weaken the Yen by buying dollar-based assets in an effort to boost its exports.

Key Economic Indicators

Indicator	*Period*	*Report Current*	*As Reported Last Quarter*	*Difference*
Federal Funds Rate	3/15/2011	0-0.25%	0-0.25%	0%
Consumer Price Index (MoM)	MAR	0.5%	0.5%	0.0%
Consumer Price Index (YoY)	MAR	2.7%	1.5%	1.2%
Producer Price Index (MoM)	MAR	0.7%	1.1%	(0.4%)
Producer Price Index (YoY)	MAR	5.8%	4.0%	1.8%
Durable Goods Orders	MAR	2.5%	(2.5%)	5.0%
Gross Domestic Product (Annualized)	Q1A	1.8%	3.2%	(1.4%)
ISM (Manufacturing)	MAR	61.2	57.0	4.2
ISM (Non-manufacturing)	MAR	57.3	57.1	0.2
Retail Sales	MAR	0.4%	0.6%	(0.2%)
Unemployment Rate	MAR	8.8%	9.6%	0.8%
Change in Non-farm Payrolls	MAR	216,000	103,000	113,000
Consumer Confidence (Univ. of Michigan)	MAR (Final)	67.5	74.5	(7.0)
Existing Home Sales	MAR	5.10(mil)	5.28(mil)	(0.18)(mil)
New Home Sales	MAR	0.300(mil)	0.329(mil)	(0.029)(mil)
Housing Starts	MAR	0.549(mil)	0.529(mil)	0.020(mil)
Median Home Price (existing) [EHSLMP]	MAR	$160,500	$169,300	($8,800)
NYMEX WTI CRUDE OIL (barrel)	3/31/11	$106.72	$91.38	$15.34
S&P 500 Stock Index	3/31/11	1,325.83	1,257.64	68.19

Portfolio Performance

The Core Portfolio outperformed its benchmark, the Merrill Lynch 1-3 year Treasury Index, by 8 basis points over the past quarter, returning 0.11% versus 0.03% for the index.

Chart 2 shows a bear flattening curve, with shorter end rates increasing by more than long rates. Rates rose despite global turmoil and uncertainty as the US economy was mostly stronger during the quarter and the market began to price in the end of quantitative easing and eventual Fed interest rate hikes. The front end was more affected as it has a higher correlation with expected Fed policy and the continuing Fed quantitative easing purchases have been relatively more concentrated in longer Treasuries.

“Income effect” was the largest detractor of portfolio performance during the quarter, subtracting 15 basis points of performance, as the portfolio remains invested in more newly-issued, lower coupon securities than the index.

“Amortization and Roll effect” offset the income effect as the portfolio contains lower-priced securities than the index, resulting in less negative price movement. It also captured the effect of portfolio securities rolling down a steeper yield curve faster than index securities. This effect added 15 basis points of outperformance versus the index.

“Parallel duration” effect added 4 basis points of outperformance versus the index, as the portfolio maintained a shorter duration than the index throughout the quarter which saw a drop in bond prices. “Non-parallel” duration subtracted 2 basis points as the portfolio was more heavily invested in the 3-year part of the curve than the index, and 3-year securities fared slightly worse than the 2-year sector during the quarter.

“Selection effect” added 7 basis points of performance versus the index due to outsize positions in several on the run Treasuries that outperformed the rest of the Treasury curve in the beginning of the quarter.

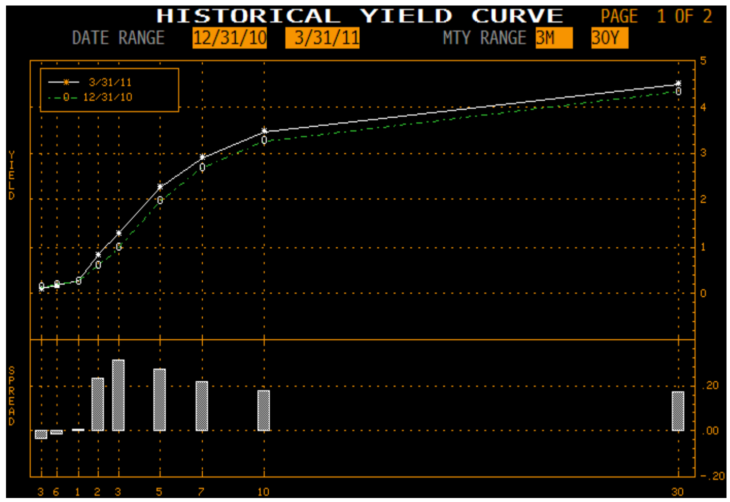


Chart 2: Treasury Yield Curve 12/31/10—3/31/11 (Source: Bloomberg)

Returns

The City’s Total Pooled Investment Fund is split into two portfolios. A Liquidity portfolio, which is short-term in nature and managed on an Earned Income Yield basis, and a Core portfolio, which is longer in maturity (0-5 years) and managed on a total-return basis versus an index (Bank of America Merrill Lynch (BAML) 1-3 Year Treasury Index).

Earned Income Yield*

	Q1 2011	Q4 2010	Q3 2010	FYTD 2011	1 Year	3 Year
Total Pooled Investment Fund	0.92%	1.15%	1.48%	1.18%	1.27%	2.42%
Core Portfolio	1.17%	1.52%	2.05%	1.58%	1.73%	3.12%
Liquidity Portfolio	0.46%	0.49%	0.41%	0.45%	0.44%	1.17%

Total Return—Core Portfolio

	Q1 2011	Q4 2010	Q3 2010	FYTD 2011	1 Year	3 Year*
Core Portfolio	0.11%	(0.13%)	0.71%	0.69%	1.83%	2.60%
BAML 1 - 3 Year Treasury Index	0.03%	(0.15%)	0.62%	0.51%	1.68%	2.22%
Difference	0.08%	0.02%	0.09%	0.18%	0.15%	0.38%

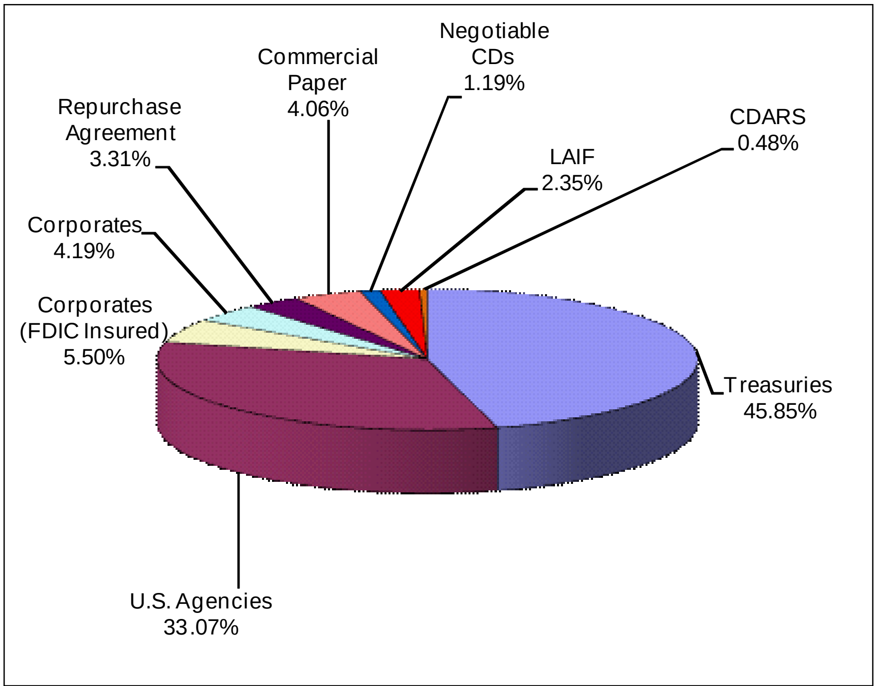
***Annualized Returns**

Portfolio Profile as of March 31, 2011

	Liquidity	*Core*
Portfolio Size*	$742,444,313	$1,351,167,332
% of total pool	35.46%	64.54%
Portfolio Duration**	0.352	1.731
Index Duration**	0.385	1.864
% of index	91.43%	92.86%
Weighted Average Days to Maturity	129	655

* Book Value ** Macaulay's Duration for the Liquidity Portfolio and Effective Duration for the Core Portfolio

Asset Allocation



Top Issuer Exposures

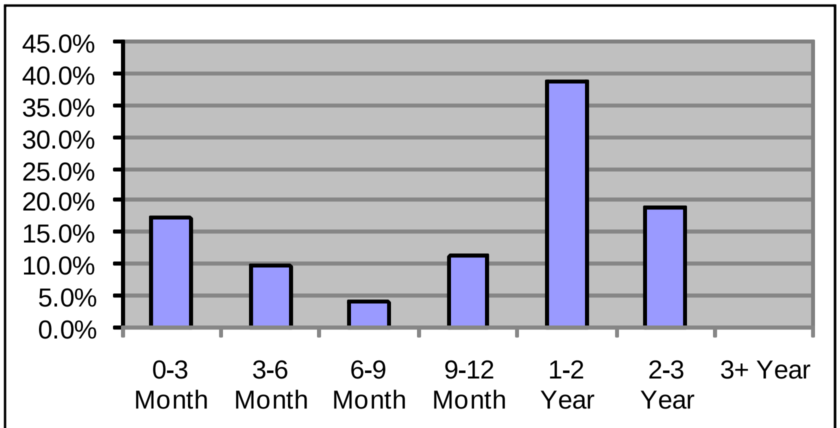
Issuer	% of Portfolio
US Treasury	45.85%
Federal Home Loan Bank	14.32%
Freddie Mac	7.40%
Federal Farm Credit Bank	5.96%
Fannie Mae	5.39%
Citigroup Inc.	1.43%
JP Morgan Chase	1.20%
Rabobank USA	1.19%
BNP Paribas	1.19%
Nestle Capital	1.19%
The Coca-Cola Co.	0.95%
3M Co.	0.77%
General Electric	0.73%
The Procter & Gamble Co.	0.72%
Toyota Motor Credit	0.72%
Berkshire Hathaway Inc.	0.71%

Credit Ratings

Ratings Buckets	% of Portfolio
US Treasury (AAA)	45.85%
Agency (AAA)	33.07%
AAA/A1	10.75%
AA	3.41%
A	0.78%
Below A	0.00%

- All Commercial Paper is rated A1 or A1+ and is included in the AAA/A1 bucket
- Repurchase agreement is not included, though it is collateralized at 102% by AAA-rated collateral with an A-rated counterparty
- CDARS is not included as it is comprised of FDIC-insured CDs
- LAIF and money market funds are not included

Pool Maturity Distribution



Portfolio Strategy

Interest rates rose for all but the shortest maturities during the past quarter. This was in spite of global turmoil, a contentious US political environment, and continued Fed purchases of Treasury securities. It appears that the strength of the U.S. economy and rising commodity inflation has the market positioning for the onset of monetary tightening by the Fed.

Even with the increase, interest rates are still at historically low levels and poised to rise in the coming year. Additionally, spreads on U.S. Agency securities are extremely tight due to lack of new issue supply caused by the shrinking of the GSEs in conservatorship.

Corporate spreads have also tightened versus Treasuries as the economy has improved and investors have actively sought higher-yielding investments.

On April 1, the way the FDIC calculates its assessments changed from measuring the deposit base of banks to measuring their total liabilities. The effect on short term rates has been immediate as overnight repurchase agreement levels dropped from about 15 basis points to near zero. This is because US banks, which were taking in money through these repo transactions and depositing them at the Fed Reserve to earn 25 bps, backed away from this trade due to the new FDIC assessment charged to these transactions.

Additionally, short term Treasury bills have become very rich (low yielding) due to the removal of $195 billion in bills to make room for the approaching national debt ceiling.

With very low short term rates and the near-term threat of rising longer rates (which cause bond prices to fall), the investment environment is as challenging as it has been in some time.

To mitigate the effect of rising longer rates, we continue to maintain a shorter duration position than our index to avoid portfolio losses as much as possible.

Also, we continue to invest in spread products like U.S. Agency and corporate securities to earn incremental yield, which also mitigates the effect of overall interest rate increases by increasing income while maintaining portfolio safety and liquidity.

In our liquidity portfolio, we look for opportunities to invest out to future cash outflow dates (i.e. payroll, debt service) to earn the yield available on longer securities. We also continue to invest in short maturity callable securities, which provide for extra income due to their optionality.

As the threat of interest rate increases intensify, we will look to other strategies such as floating rate notes and "step up" structures, which provide additional income as rates rise and are less volatile from a price standpoint.

Projected Portfolio Cash Flows*

The Investment staff have reviewed and the City Treasurer has affirmed that the Pooled Investment Fund has sufficient maturities and liquidity to meet the City's expenditure requirements for the next six months per California Government Code §53646.

MONTH	CASH INFLOWS	CASH OUTFLOWS	NET MONTHLY CASH-FLOWS	CUMULATIVE NET CASHFLOWS
April	434	219	215	215
May	351	226	125	340
June	201	187	14	354
July	207	221	(14)	340
August	219	185	34	374
September	211	202	9	383

(All dollar amounts in millions)

Legend:

Cash Inflows- All revenues, reimbursements, interest receipts and investment maturities.

Cash Outflows- All disbursements to include payroll, pension payroll, accounts payable and wire transfer payments (e.g. water payments, IRS taxes & bond payments).

Cumulative Net Cashflow- All future cumulative net flows available for reinvestment. Since the target duration of the Liquidity Portfolio is approximately .33 years it will not be unusual for the cumulative net Cashflow figure to equal or closely approximate the size of the Liquidity Portfolio.

* Cashflows based on Actual Cashflows where applicable, otherwise, based on quarterly updated projection Cashflows.

Portfolio Compliance with Investment Policy

The City of San Diego Pooled Investment Fund is in full compliance with the City Treasurer's Investment Policy, which is more restrictive than the current California Government Code. The Investment Policy is reviewed annually by the City's Investment Advisory Committee and accepted by the City Council.

Category	Standard	Comment
Duration (Core) Duration (Liquidity)	ML 1-3 Year +/-20% US T-bill 3-6 months +/-40%	Complies – 92.86% Complies - 91.43%
Maximum Maturity	5 years	Complies
Agency Securities	100% maximum	Complies – 33.07%
FNMA	33.3% maximum	Complies– 5.39%
FHLMC	33.3% maximum	Complies – 7.40%
FHLB	33.3% maximum	Complies – 14.32%
FFCB	33.3% maximum	Complies – 5.96%
Callable Securities	30% maximum	Complies – 8.37%
MBS/CMO's	5 yr maximum- 20% max.	Complies – None in Portfolio
Asset-backed	5 yr maximum- 20% max.	Complies – None in Portfolio
Commercial Paper	A1/P1- 5% per issuer	Complies
	25% maximum	Complies – 4.06%
Banker's Acceptances	A1/P1- 5% per issuer	Complies – None in Portfolio
	40% maximum	Complies – None in Portfolio
Medium Term Notes (includes Bank Notes)	'A' Rating' by at least two agencies	Complies
	3 year maximum	Complies
	30% maximum	Complies – 9.69%
Mutual Funds	20% maximum; 5% maximum per fund	Complies – None in Portfolio
FDIC-insured Certificates of Deposit	2% maximum	Complies – 0.48%
Certificate and Public Deposits	30% maximum	Complies – 1.19%
Reverse Repos	20% maximum	Complies – None in Portfolio
Futures and Options	Prohibited	Complies – None in Portfolio
Custody	Bank trust dept.	Complies – Bank of NY Mellon
Exposure per issuer (corporate)	5% of total portfolio	Complies
Structured Notes	8% maximum/no multiple index structures.	Complies - None in Portfolio
Municipal Securities	'A' Issuer Rating by an NRSRO	Complies – None in Portfolio
	20% maximum	Complies – None in Portfolio
	5% of total portfolio exposure per Issuer or Insurer, excluding California General Obligations	Complies – None in Portfolio

City of San Diego Pooled Investment Fund Holdings as of March 31, 2011

Security Type	Issuer	Coupon	Maturity	Par	Book	Market Value
US Treasury Bill	US Treasury	0.1915	4/28/2011	$25,000,000.00	$24,980,185.07	$25,000,000.00
US Treasury Note	US Treasury	0.875	2/29/2012	$20,000,000.00	$19,970,312.50	$20,104,000.00
US Treasury Note	US Treasury	1.375	3/15/2012	$35,000,000.00	$35,207,812.50	$35,350,000.00
US Treasury Note	US Treasury	1	3/31/2012	$30,000,000.00	$29,978,906.25	$30,201,000.00
US Treasury Note	US Treasury	1	4/30/2012	$25,000,000.00	$25,011,718.75	$25,172,500.00
US Treasury Note	US Treasury	1.875	6/15/2012	$20,000,000.00	$20,154,687.50	$20,354,000.00
US Treasury Note	US Treasury	0.625	6/30/2012	$30,000,000.00	$30,009,375.00	$30,078,000.00
US Treasury Note	US Treasury	0.625	7/31/2012	$50,000,000.00	$49,971,080.50	$50,115,000.00
US Treasury Note	US Treasury	1.75	8/15/2012	$15,000,000.00	$15,116,015.62	$15,259,500.00
US Treasury Note	US Treasury	1.375	9/15/2012	$25,000,000.00	$24,945,312.50	$25,305,000.00
US Treasury Note	US Treasury	1.375	9/15/2012	$5,000,000.00	$5,004,101.56	$5,061,000.00
US Treasury Note	US Treasury	1.375	10/15/2012	$25,000,000.00	$24,936,523.44	$25,307,500.00
US Treasury Note	US Treasury	0.375	10/31/2012	$20,000,000.00	$20,012,340.30	$19,934,000.00
US Treasury Note	US Treasury	1.375	11/15/2012	$25,000,000.00	$25,193,359.37	$25,307,500.00
US Treasury Note	US Treasury	0.5	11/30/2012	$30,000,000.00	$30,026,193.34	$29,937,000.00
US Treasury Note	US Treasury	1.125	12/15/2012	$30,000,000.00	$29,759,765.63	$30,237,000.00
US Treasury Note	US Treasury	0.625	12/31/2012	$25,000,000.00	$25,011,335.68	$24,977,500.00
US Treasury Note	US Treasury	0.625	1/31/2013	$25,000,000.00	$24,981,404.25	$24,955,000.00
US Treasury Note	US Treasury	1.375	2/15/2013	$25,000,000.00	$25,019,531.25	$25,295,000.00
US Treasury Note	US Treasury	0.625	2/28/2013	$25,000,000.00	$24,944,930.37	$24,937,500.00
US Treasury Note	US Treasury	1.375	3/15/2013	$25,000,000.00	$24,841,796.88	$25,290,000.00
US Treasury Note	US Treasury	0.75	3/31/2013	$140,000,000.00	$139,868,750.00	$139,888,000.00
US Treasury Note	US Treasury	1.375	5/15/2013	$15,000,000.00	$15,077,343.75	$15,163,500.00
US Treasury Note	US Treasury	1.125	6/15/2013	$25,000,000.00	$24,948,581.00	$25,122,500.00
US Treasury Note	US Treasury	1.125	6/15/2013	$20,000,000.00	$19,957,812.50	$20,098,000.00
US Treasury Note	US Treasury	1	7/15/2013	$40,000,000.00	$39,959,339.20	$40,064,000.00
US Treasury Note	US Treasury	0.75	8/15/2013	$10,000,000.00	$9,984,154.20	$9,949,000.00
US Treasury Note	US Treasury	0.75	8/15/2013	$20,000,000.00	$19,937,500.00	$19,898,000.00
US Treasury Note	US Treasury	0.75	9/15/2013	$30,000,000.00	$29,972,477.40	$29,811,000.00
US Treasury Note	US Treasury	0.75	12/15/2013	$25,000,000.00	$24,826,847.96	$24,747,500.00
US Treasury Note	US Treasury	1	1/15/2014	$25,000,000.00	$24,982,224.57	$24,877,500.00
US Treasury Note	US Treasury	1.25	2/15/2014	$25,000,000.00	$25,061,890.33	$25,015,000.00
US Treasury Note	US Treasury	1.25	3/15/2014	$50,000,000.00	$50,259,765.63	$49,985,000.00
Treasury Total			***45.85%***	***$960,000,000.00***	***$959,913,374.80***	***$962,797,000.00***
US Agency	Fannie Mae	0.225	4/11/2011	$25,000,000.00	$24,969,843.75	$25,000,000.00
US Agency	Federal Farm Credit Bank	2.625	4/21/2011	$20,000,000.00	$19,989,528.77	$20,025,000.00
US Agency	Fannie Mae	0.18	5/2/2011	$20,000,000.00	$19,985,500.00	$20,000,000.00
US Agency	Freddie Mac	0.18	5/2/2011	$10,000,000.00	$9,992,750.00	$10,000,000.00
US Agency	Federal Home Loan Bank	0.5	5/17/2011	$9,205,000.00	$9,202,790.80	$9,210,753.13
US Agency	Fannie Mae	3.375	5/19/2011	$17,321,000.00	$17,619,960.46	$17,396,779.38
US Agency	Freddie Mac	0.2	5/24/2011	$5,000,000.00	$4,994,388.89	$5,000,000.00

City of San Diego Pooled Investment Fund Holdings as of March 31, 2011 (continued)

Security Type	Issuer	Coupon	Maturity	Par	Book	Market Value
US Agency	Federal Home Loan Bank	3.375	6/24/2011	$25,000,000.00	$25,661,500.00	$25,179,687.50
US Agency	Freddie Mac	0.2	7/18/2011	$25,000,000.00	$24,975,000.00	$24,992,187.50
US Agency	Federal Home Loan Bank	0.22	8/4/2011	$25,000,000.00	$24,992,559.25	$25,007,812.50
US Agency	Federal Home Loan Bank	0.18	8/18/2011	$25,000,000.00	$24,998,750.00	$25,007,812.50
US Agency	Fannie Mae	1.16	9/8/2011	$25,000,000.00	$25,196,000.00	$25,109,375.00
US Agency	Federal Home Loan Bank	0.3	9/30/2011	$25,000,000.00	$25,007,500.00	$25,015,625.00
US Agency	Federal Home Loan Bank	0.34	11/15/2011	$20,000,000.00	$20,000,000.00	$20,000,000.00
US Agency	Federal Home Loan Bank	0.18	12/23/2011	$25,000,000.00	$24,994,500.00	$24,976,562.50
US Agency	Federal Home Loan Bank	0.43	2/22/2012	$20,000,000.00	$20,000,000.00	$20,000,000.00
US Agency	Federal Farm Credit Bank	0.28	3/1/2012	$25,000,000.00	$24,999,458.33	$24,984,375.00
US Agency	Federal Home Loan Bank	0.46	3/14/2012	$20,000,000.00	$20,000,000.00	$20,006,250.00
US Agency	Freddie Mac	2.125	3/23/2012	$25,000,000.00	$25,018,200.00	$25,421,875.00
US Agency	Federal Home Loan Bank	0.28	3/28/2012	$25,000,000.00	$24,997,500.00	$24,976,562.50
US Agency	Federal Home Loan Bank	0.4	4/3/2012	$20,000,000.00	$20,000,000.00	$19,993,750.00
US Agency	Federal Home Loan Bank	2.25	4/13/2012	$20,000,000.00	$19,980,000.00	$20,381,250.00
US Agency	Freddie Mac	0.5	4/20/2012	$15,000,000.00	$15,032,916.67	$14,995,312.50
US Agency	Fannie Mae	1.875	4/20/2012	$15,000,000.00	$14,981,100.00	$15,234,375.00
US Agency	Federal Farm Credit Bank	2.25	4/24/2012	$10,000,000.00	$9,999,800.00	$10,190,625.00
US Agency	Freddie Mac	0.65	7/27/2012	$20,000,000.00	$20,000,000.00	$19,981,250.00
US Agency	Freddie Mac	0.6	11/2/2012	$10,000,000.00	$10,000,000.00	$9,965,625.00
US Agency	Freddie Mac	0.75	11/23/2012	$10,000,000.00	$10,000,000.00	$9,962,500.00
US Agency	Freddie Mac	0.625	12/28/2012	$25,000,000.00	$24,966,500.00	$24,953,125.00
US Agency	Fannie Mae	0.875	12/28/2012	$10,000,000.00	$10,000,000.00	$9,971,875.00
US Agency	Federal Farm Credit Bank	1.75	2/21/2013	$20,000,000.00	$19,947,400.00	$20,312,500.00
US Agency	Federal Farm Credit Bank	1.375	6/25/2013	$25,000,000.00	$24,922,000.00	$25,242,187.50
US Agency	Federal Home Loan Bank	1	11/18/2013	$10,000,000.00	$10,000,000.00	$9,943,750.00
US Agency	Federal Home Loan Bank	0.875	12/27/2013	$30,000,000.00	$29,946,000.00	$29,625,000.00
US Agency	Freddie Mac	1.375	2/3/2014	$10,000,000.00	$10,016,805.56	$9,943,750.00
US Agency	Federal Farm Credit Bank	1.125	2/27/2014	$25,000,000.00	$24,950,750.00	$24,796,875.00
U.S. Agency Total			***33.07%***	***$691,526,000.00***	***$692,339,002.48***	***$692,804,407.51***
LAIF	California State Pool	0.46	4/1/2011	$49,214,142.37	$49,214,142.37	$49,214,142.37
Repurchase Agreement	Overnight Repo	0.15	4/1/2011	$69,383,630.00	$69,383,630.00	$69,383,630.00
Commercial Paper	BNP Paribas Finance Inc.	0.17	4/12/2011	$25,000,000.00	$24,998,347.22	$24,998,166.67
Commercial Paper	Nestle Capital Corp	0.23	5/13/2011	$25,000,000.00	$24,968,375.00	$24,993,000.00
Commercial Paper	Coca-Cola Co.	0.25	6/10/2011	$20,000,000.00	$19,974,722.22	$19,989,500.00
Commercial Paper	Toyota Motor Credit	0.29	9/2/2011	$15,000,000.00	$14,977,766.67	$14,978,825.00
Negotiable CD	Rabobank NY	0.38	7/8/2011	$25,000,000.00	$25,000,000.00	$25,012,353.11
Non-Negotiable CDs	BSBB CDARS	1.25	2/16/2012	$10,000,000.00	$10,000,000.00	$10,000,000.00
Repo, BA's, CD's, CP, LAIF, Funds Total			***11.39%***	***$238,597,772.37***	***$238,516,983.48***	***$238,569,617.15***
MTN (FDIC Insured)	Citigroup Funding Inc.	1.375	5/5/2011	$5,000,000.00	$4,999,640.48	$5,005,100.00
Medium Term Note	Hewlett-Packard Co.	2.25	5/27/2011	$1,000,000.00	$999,918.18	$999,918.18

City of San Diego Pooled Investment Fund Holdings as of March 31, 2011 (continued)

Security Type	Issuer	Coupon	Maturity	Par	Book	Market Value
MTN (FDIC Insured)	Citigroup Funding Inc.	1.25	6/3/2011	$5,000,000.00	$4,997,852.95	$5,009,450.00
MTN (FDIC Insured)	PNC Funding Corp.	1.875	6/22/2011	$5,000,000.00	$4,998,203.95	$5,018,750.00
MTN (FDIC Insured)	Citibank NA	1.5	7/12/2011	$5,000,000.00	$4,999,146.23	$5,018,050.00
MTN (FDIC Insured)	Goldman Sachs	1.625	7/15/2011	$10,000,000.00	$10,011,955.73	$10,040,500.00
Medium Term Note	General Dynamics Corp.	1.8	7/15/2011	$10,000,000.00	$10,083,100.00	$10,050,000.00
Medium Term Note	Procter & Gamble Int'l Finance	1.35	8/26/2011	$5,000,000.00	$4,999,080.08	$5,028,650.00
Medium Term Note	Northern Trust Corp.	5.3	8/29/2011	$5,000,000.00	$5,247,800.00	$5,094,531.25
MTN (NCUA Insured)	US Central Federal Credit Un-	1.25	10/19/2011	$10,000,000.00	$9,994,900.00	$10,057,812.50
Medium Term Note	3M Company	4.5	11/1/2011	$5,000,000.00	$5,327,700.00	$5,126,350.00
Medium Term Note	General Electric Capital Corp.	5.5	11/15/2011	$10,000,000.00	$10,190,000.00	$10,044,500.00
MTN (FDIC Insured)	Wells Fargo & Company	3	12/9/2011	$5,000,000.00	$4,994,150.00	$5,093,550.00
MTN (FDIC Insured)	American Express Bank FSB	3.15	12/9/2011	$5,000,000.00	$4,996,050.00	$5,098,950.00
MTN (FDIC Insured)	General Electric Capital Corp.	3	12/9/2011	$5,000,000.00	$5,186,350.00	$5,093,200.00
Medium Term Note	Berkshire Hathaway Inc.	1.4	2/10/2012	$10,000,000.00	$9,993,500.00	$10,083,900.00
Medium Term Note	Chevron Corp.	3.45	3/3/2012	$5,000,000.00	$5,173,100.00	$5,136,900.00
MTN (FDIC Insured)	Morgan Stanley	2.25	3/13/2012	$5,000,000.00	$4,992,950.00	$5,086,500.00
MTN (FDIC Insured)	Citigroup Funding Inc.	2	3/30/2012	$5,000,000.00	$4,986,550.00	$5,070,750.00
MTN (FDIC Insured)	Bank of America NA	2.1	4/30/2012	$5,000,000.00	$4,995,450.00	$5,093,750.00
MTN (FDIC Insured)	Bank of America NA	2.1	4/30/2012	$5,000,000.00	$5,031,500.00	$5,093,750.00
MTN (FDIC Insured)	Citibank NA	1.875	5/7/2012	$5,000,000.00	$4,986,950.00	$5,077,343.75
MTN (FDIC Insured)	Citibank NA	1.875	6/4/2012	$5,000,000.00	$4,984,950.00	$5,082,850.00
MTN (FDIC Insured)	JP Morgan Chase & Co.	2.2	6/15/2012	$5,000,000.00	$4,996,900.00	$5,112,100.00
MTN (FDIC Insured)	Wells Fargo & Company	2.125	6/15/2012	$5,000,000.00	$4,998,700.00	$5,095,550.00
MTN (FDIC Insured)	JP Morgan Chase & Co.	2.125	6/22/2012	$20,000,000.00	$20,067,200.00	$20,396,000.00
Medium Term Note	Procter & Gamble Co.	1.375	8/1/2012	$10,000,000.00	$9,992,700.00	$10,082,812.50
Medium Term Note	Berkshire Hathaway Inc.	5.125	9/15/2012	$4,500,000.00	$4,883,220.00	$4,764,915.00
Medium Term Note	3M Company	4.65	12/15/2012	$10,000,000.00	$10,767,066.67	$10,620,700.00
Medium Term Note	Wal-Mart Stores Inc.	0.75	10/25/2013	$10,000,000.00	$9,965,700.00	$9,913,900.00
Corporate MTN's and Other Notes Total			***9.69%***	***$200,500,000.00***	***$202,842,284.27***	***$203,491,033.18***
Grand Total			***100.00%***	***$2,090,623,772.37***	***$2,093,611,645.03***	***$2,097,662,057.84***

Market Values are determined by using Sungard pricing as the primary source. CMS Bondedge, Bloomberg, Custody Bank (BNY Mellon) and pricing provided by broker/dealers are all used to reconcile and determine correct prices.